

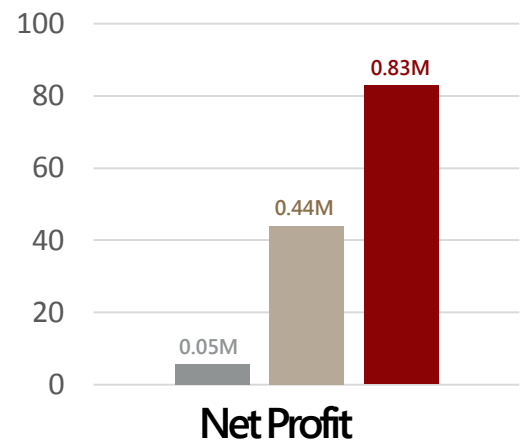
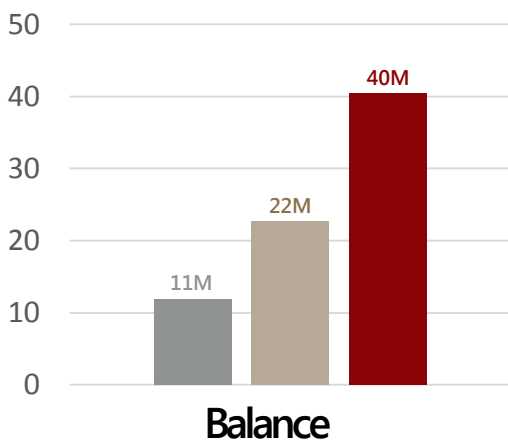
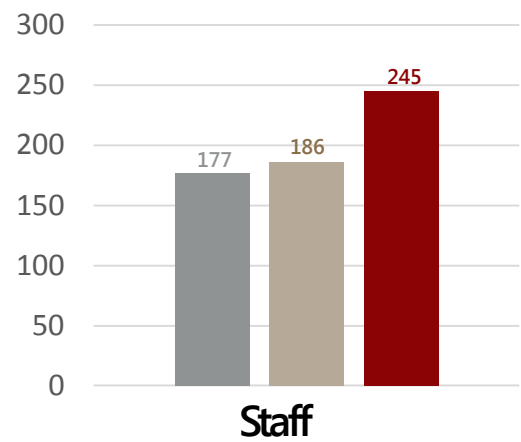
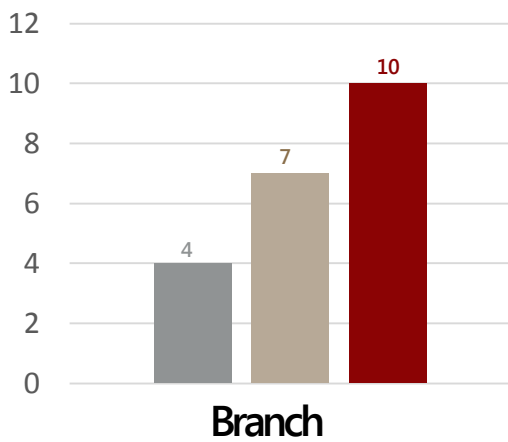
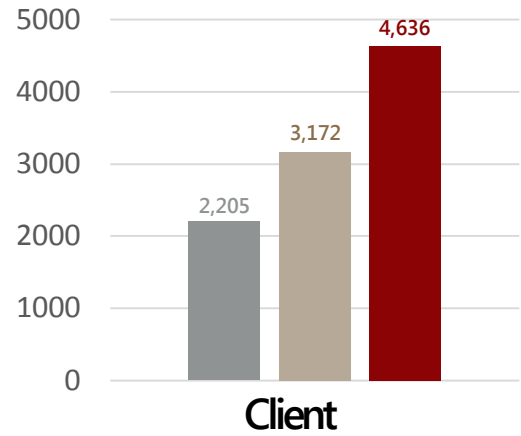
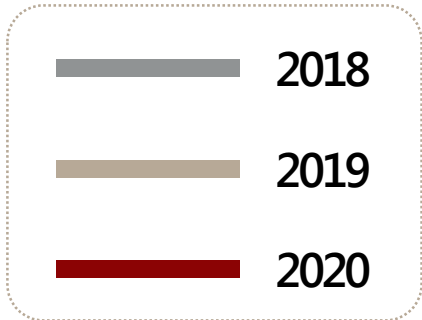
ANNUAL REPORT 2020

BNKC (Cambodia)
Microfinance
Institution Plc.

Contents

Corporate Information	05
Vision, Mission and Strategic Goal	06
CEO's Message	07
Operation Area	08
Products and Service Highlights	10
Organizational Structure	11
Shareholders	12
Board of Directors	13
Management Profile	14
Employee Capacity Development	18
Health Safety at Workplace during the Pandemic	22
Corporate Social Responsibility	24
Independent Audit Report	28

Key Figures



Corporate Information



ក្រឹះស្ថានមីក្រូហិរញ្ញវត្ថុ បីអេសខេស៊ី (ខេមបូឌា) ភីអិលស៊ី
BNKC (Cambodia) Microfinance Institution Plc.



BNKC (Cambodia) Microfinance Institution Plc., formerly named KBSC (Cambodia) Microfinance Institution Plc. is a Public Limited Company which received an official license from National Bank of Cambodia on 07th May, 2015. BNKC had a paid up capital USD 15 Million and 100% Shareholder-BNK Capital Co., Ltd in Busan, South Korea. The main purpose of BNKC is to provide the best financial service to Cambodian people and to contribute to the development of Cambodia's economy. Moreover, BNKC is providing job opportunities to employees who wish to develop their abilities and skills to work in the institution for future growth.

Vision, Mission and Strategic Goal

Vision

Provide the best financial services to Cambodian with sustainable growth

Mission

Improve the living standards of the people in Cambodia;
Strengthen the values of customers, employees, shareholders, and society



Strategic Goal

CEO'S Message



KIM SOONJO
Chief Executive Officer

Dear Valued Customers! I, KIM Soonjo, the Chief Executive of BNKC (Cambodia) Microfinance Plc.

BNKC was established in 2015 and now, due to the trust, BNKC has about 4,700 customers, providing loan services to customers across the country. On behalf of the management of BNKC, I would like to express my gratitude to all customers who have used our loan services.

As well as growing with customers, BNKC has developed financial products that meet customers' needs and has provided trusted financial services to our customers. Not only this, BNKC has improved the quality, accessibility, and speed of its products and services through training operation staff on disciplinary and developing the information technology.

The institution has been fulfilling its role in various social participation activities. BNKC has put all efforts in implementing and adhering to all regulations and directives of the National Bank of Cambodia. BNKC also demonstrated the transparency in its operations, strengthened the professionalism of employees, responsibilities, work ethics; and took honest as fundamental.

Once again, BNKC (Cambodia) Microfinance Institution Plc. would like to thank all the customers for their support in using our loan services. We wish you and your family good health, prosperity, and happiness.

Thank you!

KIM SOON JO
Chief Executive Officer

Operation Area

Due to, well performing and hardworking of all the employees, our institution's business significantly and rapidly grow from year to year. Comparing to the previous year, BNKC (Cambodia) Microfinance Plc. we are keep moving in expanding our operation.

(as of December 31st 2020)

4,636



Client Number

1,150 Villages
100 Communes
4 cities
Operated Area



Detail information of Operation Area

- Phnom Penh City (Head Office)
- Kandal Province (03 Branches; Angksnuol, Kandal Stueng, Khsach Kandal)
- Kampong Speu Province (02; Branches; ChbarMon, Oudong)
- Takeo Province (01 Branch; TramKak)
- Kampot Province (01 Branch; Chhuk District)
- Battambang Province (01 Branch; Battambang)
- Siemreap Province (01 Branch; Siemreap)



Head Office

GF & 1F of B-Ray Tower,
Preah Nordon Blvd.,
Sangkat Tonle Bassac, Khan
Chamcarmon, Phnom Penh
Tel: (855) 23 213 900



Angk Snuol Branch

Chong Bangkoul Village,
Beak Chan Commune, Angk
Snuol District, Kandal
Province
Tel: (855) 23 729 711



Chbar Mon Branch

Borei Kammeakkar Village,
Rokar Thum Commune,
Krong Chbar Mon, Kampong
Speu Province
Tel: (855) 25 210 229



Tram Kak Branch

Prey Rumdeng Village, Angk
Ta Saom Commune,
Tram Kak District, Takeo
Province
Tel: (855) 32 215 215



Odongk Branch

Odongk Village, Veang Chas
Commune, Odongk District,
Kampong Speu Province
Tel: (855) 25 218 282



Battambang Branch

Kammeakor Village, Sangkat
Svay Por, Krong Battambang,
Battambang Province
Tel: (855) 53 952 952



Siem Reap Branch

Treang Village, Sangkat Sla
Kram, Krong Siemreap,
Siemreap Province
Tel: (855) 63 756 722



Khsach Kandal Branch

Prek Ta Meak Village, Prek
Ta Meak Commune,
Khsach Kandal District,
Kandal Province
Tel: (855) 24 900 131



Kandal Stueng Branch

Siem Reap Village, Siem
Reap Commune,
Kandal Stueng District,
Kandal Province
Tel: (855) 24 900 135



Chhuk Branch

Chhue Teal Village, Chhuk
Commune, Chhuk District,
Kampot Province
Tel: (855) 33 900 135

Products and Service Highlights



General Business Loan

It is an individual or group loan which provides to Cambodian who needs to use for starting and expanding their business in order to earn more the income. This loan size is up to USD 50,000 or equivalent Khmer Riel and loan term is up to 72 months.



Agriculture Loan

It is an individual or group loan which provides to farmer who needs to use for expanding their agriculture business in order to earn more income. This loan size is up to USD 30,000 or equivalent Khmer Riel and loan term is up to 48 months.



Home Loan

It is an individual loan which provides to Cambodian who needs to use to buy land to build a house or buy a new house or condo/apartment. This loan size can be negotiated more than \$ 50,000 depending on the actual situation or equivalent in equivalent Khmer Riel and loan term is up to 72 months.



Home improvement Loan

It is an individual loan which provides to Cambodian who needs to use to improve the home. This loan size is up to USD 15,000 or equivalent Khmer Riel and loan term is up to 72 months



Car Loan

It is an individual loan which provides to Cambodian who needs to buy Car for using in family not for business. This loan size is up to USD 30,000 or equivalent Khmer Riel and loan term is up to 72 months.



Personal Loan

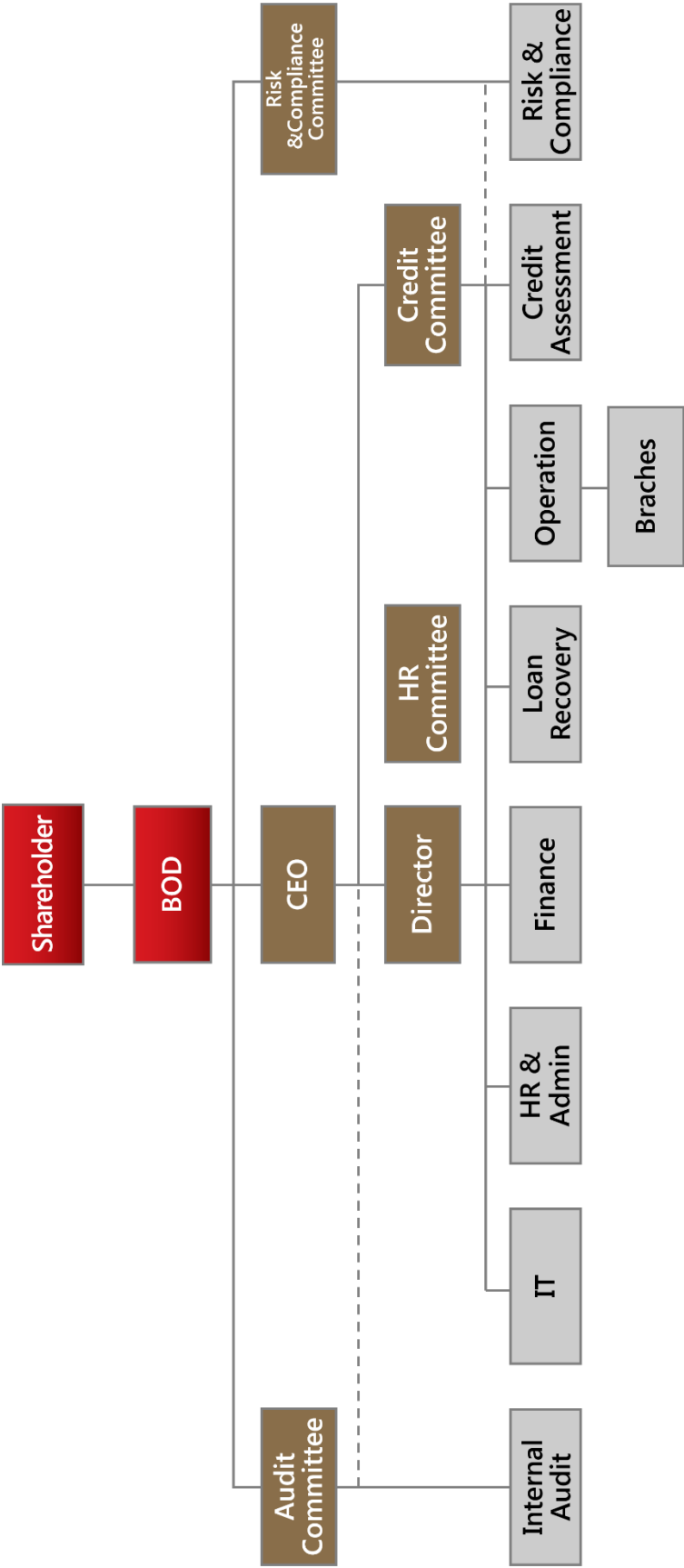
It is an individual loan which provides to Cambodian who needs to buy materials for family or personal using. This loan size is up to USD 15,000 or equivalent Khmer Riel and loan term is up to 72 months.



Hire-Purchase Loan

It is an individual loan that no need required collateral and provides to Cambodian who needs to use to buy electronic device as Phone, laptop, etc. This loan size can be up to \$ 10,000 depending on the actual situation or equivalent in equivalent Khmer Riel and loan term is up to 36 months.

Organizational Structure



(as of December 31st 2020)

Shareholders

BNK Capital



380 Billion won

Registered Capital

100%

Share Percentage

BNK Capital Co., Ltd is the former BS Capital Co., Ltd. which changed its name to BNK Capital Co., Ltd. in March 2015. BNK Capital Co., Ltd. was founded in 2010 based in Busan, South Korea. BNK Capital Co., Ltd. is a subsidiary of BNK Financial Group Inc.

BNK Capital Co., Ltd operates as a specialized loan company in South Korea, which primarily focuses on providing support for low and middle income households. The company provides personal loans, lease financing, installment financing, corporate loans, factoring, discounted bill, auto loan services, house loans etc.

Board of Directors



Mr. LEE DOO HO
Chairman of the Board



Mr. KIM SOONJO
Member of the Board



Mr. Ryu Hwiseok
Member of the Board



Mr. Cho Hwi Jin
Member of the Board



Mr. KIM CHULWOONG
Independent of the Board

Management Profile



Mr. KIM SOONJO, Chief Executive Officer

Mr. Kim Soonjo joined BNKC (Cambodia) Microfinance Institution Plc. early October 2020 as Chief Executive Officer. He used to work at BNKC Myanmar for around 6 years as Chief Executive officer. Before coming to BNKC Myanmar, He was working for BNK Capital as a branch Manager of Daejeon Branch for 4 years; and Aju Capital for 5 years in various positions such as Sales Team Manager, loan review manager. His first career was at Daewoo International for many years. According to these experiences, He has been in the financial factor more than 15 years.



Mr. LEE SIHYUN, Director

Mr. Lee Sihyun joined as Director of BNKC (Cambodia) Microfinance Institution Plc. from July 2019. In 1998, he graduated from Pukyong National University, Busan City Republic of Korea.

He has long experience in Banking and Financial industry in Republic of Korea. He worked in Busan Parangsae Saving Bank for 4 years as Credit Management Supervisor. He joined BNK Capital in October 2011. Due to his outstanding and professional performing in Banking and Financial during his working period at BNK Capital he was promoted to many position from year to year such as Manager of counseling Center, Manager of CS Planning Team, Manger of Loan Review Team and Manager of Risk Management Team.



Mr. UN RATTANAK, Head of HR & Admin Department

Mr. Un Rattanak has appointed as Head of HR & Admin Department. He joined BNKC (Cambodia) Microfinance Institution Plc. in June 2016. Prior to his career at BNKC, he has 3 years' experience as Administration and Finance Manager; and Project Assistant Manager at one of the Construction Company. He also was a School Director of ICMS Mission Society NGO based in Thailand for a year.

He obtained his Master's Degree in Business Management at Build Bright University in March 2015. By 2012, he was successfully graduated in 2 Bachelor Degrees of Inter-Cultural Studies; and English Literature from KOSIN University, Busan City Republic of Korea. Besides, he also attended various vocational training courses such as Leadership Skill, Administration and Office Management, Cambodia Labor Law & Compliance, HR Manual and Policy Writing, Managing Employee Performance, Human Resource Management etc.



Mr. PHENG PHEAK, Head of Finance Department

Mr. Pheng Pheak was appointed as Finance Manager. He joined BNKC (Cambodia) Microfinance Plc. in August 2019. He has 15 years of experience in the microfinance sector. Before joining BNKC, he held many positions at other MDIs and MFIs and Multi International Company including Internal Auditor, Senior Accountant, Senior Management Accounts, Financial Controller, Commercial Business Analysis Manager, Head of Finance and Admin department. He also has experience in Core Banking System Migration, Process Simplification and Improvement, and Accounting and Auditing University Lecturer for six years.

He holds Master's Degree in Financial Management from Royal University of Law and Economics in 2011, Bachelor's Degree in Finance and Accounting from National University of Management, Bachelor of Art in English from Norton University, studying the ACCA program, and attended several training courses related to microfinance, Financial Analysis Performance Indicators, Asset & Liability Management, Balance Sheet Risk Management, Cambodian Taxation, Internal Control System, Risk Management, Management Development Program, Advanced TOT, and Empowering Leadership & Motivation etc.



MR. PEOU CHANMITHONA, Head of Credit Assessment Department

Mr. PEOU Chanmithona appointed as Head of Credit Assessment Department. He joined BNKC (Cambodia) Microfinance Plc. in June 2020. Prior his career at BNKC (Cambodia) Microfinance Institution Plc, He used to work for various positions as Lending Support Supervisor, Chief Credit Officer at leading banks in Cambodia. Regarding his experience, He has been in the financial industry for more than 10 years.

He obtained his Master's Degree in Business Management at National University of Management in August 2015. By 2009, He successfully graduated His Bachelor's Degree in Banking and Finance at National University of Management. In 2006, He also graduated his Associate's Degree in Banking at Center for Banking Studies.



Mr. HAK SENSOPHEAK, Head of Credit Department

Mr. Hak Sensopheak joined BNKC (Cambodia) Microfinance Institution Plc. in May 2019. He has 15 years' experience in Banking and Microfinance industry. He was a Branch Manager in a bank for 7 years, Operation manager at Microfinance Institution for 3 years. He has multiple skills in banking and microfinance industry such as credit management, loan assessment, credit risk assessment, credit review, CBC control, Loan recovery skill, finance and accounting management, communication management etc.

He obtained Master Degree of Business Administration from National University of Management in 2009 and Bachelor Degree of Agricultural Economics and Rural Development at Royal University of Agriculture in 2005. He also attended various short term course such as Human right course, Good Governance and Leadership course, Employment and Labor law, Accounting Skill etc.



Mr. SOUNGC SAVUTH, Head of Loan Recovery Department

Mr. Soung SavuthMr. Soung Savuth joined BNKC (Cambodia) MFI Plc. in April, 2015. He is Loan RecoverLoan Recovery Manager in July, 2016. He has 12 years of experience in banking and microfinance sector. Before joining BNKC, he worked for banking sector as Credit Officer and Senior Credit Officer. He also has experience in teaching mathematic, physic, and English in the public high school, and lecturing writing skills, teaching methodology, research methodology and core English at university for over 8 years before moving into banking and microfinance sector.

He is holding master's degree of Educational Administration and Leadership from Royal University of Phnom Penh in 2011, bachelor's degree of English for Communication from Western University in 2007, and certificate of pedagogy from Regional Pedagogy Center, Prey Veng in 2000. He also attended several courses such Complaint Presentation, Performance Analysis of Microfinance Institutions, Risk Management, Success of Sale, Human Rights, Life Skills etc.



Mr. AN SOKKHAK, Head of Information Technology Department

Mr. An Sokkhak joined BNKC (Cambodia) Microfinance Institution Plc. in April 2015. Prior to joining BNKC, he was a Database Administrator of Microfinance Institution for 2 years, a Computer Program Developer in a company for 2 years. He also was an IT Coordinator at a private school for 1 year and an IT teacher for half year.

He obtained a Bachelor Degree of Computer Science and Engineering from Royal University of Phnom Penh in 2009. Beside this, he also attended various vocational training courses such as; C-Programming, C++, Java (OOP, Servlets, JSP), C#, PHP, My SQL, ASP.net, Java/VB Script, CSS, VB.net, SQL Server and Database Management System.



Ms. SIE NAILENG, Head of Risk & Compliance Department

Ms. Sie Naileng was appointed as Senior Compliance Officer. She joined BNKC (Cambodia) on January 2019. Prior to her career at BNKC, she had experience as a Lawyer Assistant for a year in the law firm. And then she had been joined as a Compliance Officer in a financial institution in 2018, she is in charge of 3 main tasks such as: Internal Control, Compiles with the Law, Regulations of the National Bank of the relevant ministries and laws of the Kingdom of Cambodia; especially, work related to Anti-Money Laundering/Combating the Financing of Terrorism. She was accredited by the National Bank of Cambodia and the Financial Intelligence Unit of Cambodia.

She obtained Bachelor's Degree of Laws at the Royal University of Law and Economics in 2017 and General English Program at Pannasastra University of Cambodia. In addition, she attended training courses on Regulatory compliance and Anti-Money laundering, etc.



Mr. ROEUN RITHEA, Head of Internal Audit

Mr. Roeun Rithea joined BNKC (Cambodia) Microfinance Institution Plc. on May 2019. He started his career as Internal Auditor in Banking and Microfinance sector for around 11 years. He held many various positions such as: Internal Audit Officer, Senior Internal Audit Officer and Head of Internal Audit. As an Auditor, he is in charge of many tasks such as: updating audit programs including procedures, conduct audit on relevant departments (Operation Department, Finance Department, Human Resource and Admin Department, Risk and Compliance Department, Information Technology Department etc.). He also responsible for making audit plan, consolidate audit report and send to audit committee and managements, make the recommendation to related departments and branches to ensure all risks were prevented and solved timely.

He obtained Bachelor's Degree of Accounting at Norton University in 2009. To improve his ability as an Auditor; he attended many short courses such as: Internal Control, Fraud Risk Prevention, Cambodian Taxation, Internal Audit Management, Principle of Auditing and Internal Audit Master Class etc.

Employee Capacity Development



Employee Capacity Development is the strongest pillar that establishes high performance, optimum results and company success. As the result of the increasing of operation area and number of employee there has been significant human resource development at BNKC (Cambodia) Microfinance Institution Plc. in the year of 2020.

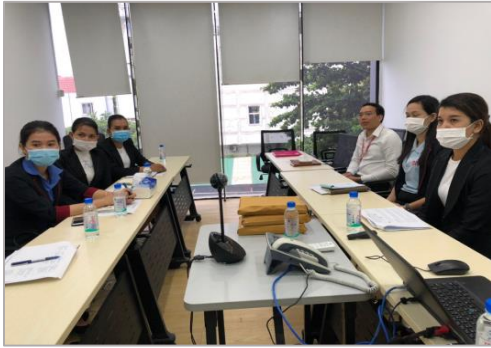
The institution has been developed employee capacity in accordance with financial and banking sector integration need as well as the principle of stability and work proficiency. In the year of 2020, the institution has been conducted internal training and external training for the relevant staffs.

Internal Training

The internal training was conducted in the purpose of building employee's skill related to their daily task, stay up to date with the policies and guideline change of the Institution. Especially the new staffs were provided the internal training as they join the Institution.

Employees benefit from internal training because having the necessary tools to be successful makes them more productive. The Internal training was conducted by management staffs, high-performing staffs or professional staffs of the Institution.

In 2020 the internal training was conducted by relevant department as below:



Human Resource & Administration Department

- Introduction to BNKC (Cambodia) Microfinance Institution Plc. to onboarding employees
- Whistleblowing Policy
- Employee Benefits

Finance Department

- Guideline of Disbursement
- Customer Satisfaction Guideline
- Counterfeit Money

Operation Department

- Credit Policy
- Credit Risk Management
- Loan Evacuation
- Loan Product Selling Skill
- Operation Strategies

Information Technology Department

- MBWIN System
- New Core Banking System

Credit Assessment Department

- Credit Assessment
- Risk Assessment
- CBC Report Checking
- Using System Loan Assessment

Compliance Department

- Anti-Money Laundering and Combating the Financing of Terrorism

Loan Recovery Department

- Fraud Management Policy
- Loan Recovery Guideline
- Loan Recovery Procedure





External Training

As a Microfinance Institution, beside internal training, BNKC also sent their staffs to joined external training and Seminar which conducted by National Bank of Cambodia, Cambodia Microfinance Association (CMA), General Department of Taxation (GDT), Credit Bureau Cambodia (CBC) and related ministries; such as Ministry of Labor and Vocational Training, Ministry of Commerce etc.

The purpose of external training is to strengthen employees' capacity more professional and makes overall business operation of the Institution comply with the Cambodia Commercial Law, Local and International Accounting Standard Law, especially any other Laws, Provision, Prakas release by the National Bank of Cambodia and General Department of Taxation.

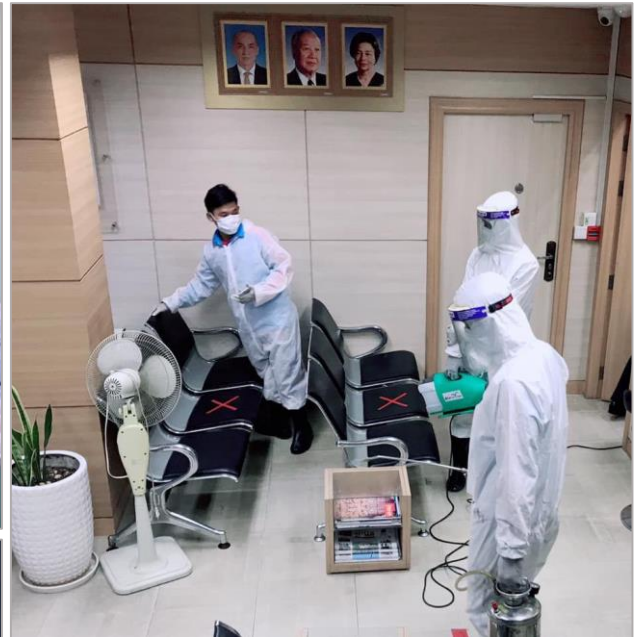
In 2020 BNKC (Cambodia) Microfinance Plc. assigned their staff to joined external training courses and seminars as below:

Training Topic	Trainee	Training Institution	Date
Internal Audit Master Class	Internal Audit Supervisor	IBF	25~26 February 2020
Regulatory Compliance Practice for MFI	Senior Compliance Officer	CMA	8~9 August 2020
Human Resource Management	HR & Admin Manager	CMA	12~13 November 2020



Health Safety at Workplace during the Pandemic

Health safety is important for employees; especially, our valuable clients. During the pandemic outbreak, BNKC (Cambodia) Microfinance Plc. puts all the effort to protect for both internally and externally. The activities below are the spray disinfectant.



The action of spray disinfectant is on November 2020 at BNKC (Cambodia) Microfinance Plc. Head Office. We strongly commit to prevent the Covid-19, and protect our employees and clients during the pandemic.

During the first outbreak, our institution takes the action prevent our employees and clients from Covid-19. The action below takes place during August 2020, we have rented the professional to spray the alcohol disinfectant to Covid-19 free. **Safety first!**



Corporate Social Responsibility

Corporate Social Responsibility is highly important to society because there are poor people, homeless, orphans, children who victims of violence and people who are living in HIV etc.; they need our mental and physical helps. BNKC (Cambodia) MFI Plc. happily donated protection masks and hand sanitizers to Angkor Hospital for Children in Siem Reap Province.



By November 2020, Human Resource and Administration Department team and Kandal Stueng Branch team of BNKC (Cambodia) Microfinance Plc. continues their journey to donate the masks to Borey Koma Mitpheap Cambodia-France-Hungary Orphanage Center at Kandal Stueng District, Kandal Province for Covid-19.



Borey Koma Mitpheap Cambodia-France-Hungary Orphanage Center (Kandal)



On November 2020 BNKC (Cambodia) Microfinance Plc. happily donated the masks to Thmey Primary School and Secondary School which located at Kandal Stueng District, Kandal Province to around 450 students for Covid-19 protection.



Thmey Primary School and Secondary School (Kandal)



When the Covid-19 strikes, BNKC (Cambodia) MFI Plc. brought the donation to Ministry of Health to support and fight the Covid-19. Ministry of Health is thankful to BNKC CEO, Director and employees for the care.





Independent Audit Report

For the year ended 31 December 2020

29 Independent Auditor's Report

Financial Statements:

32 Statement of Financial Position

33 Statement of Profit of Loss and other Comprehensive Income

34 Statement of Changes in Equity

35 Statement of Cash Flows

Independent Auditor’s Report

Grant Thornton (Cambodia) Limited
20th Floor Canadia Tower
315 Preah Ang Duong Street
corner Monivong Boulevard
Sangkat Wat Phnom
Khan Daun Penh
Phnom Penh
Kingdom of Cambodia

T +855 23 966 520
www.grantthornton.com.kh

To the Shareholder of BNKC (Cambodia) Microfinance Institution Plc.

Opinion

We have audited the financial statements of BNKC (Cambodia) Microfinance Institution Plc. (“the Company”), which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended, in accordance with Cambodian International Financial Reporting Standard for Small and Medium sized-Entities (“CIFRS for SMEs”) and the guidelines issued by the National Bank of Cambodia (“NBC”).

Basis for opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”) together with the ethical requirement that are relevant to our audit of financial statements in the Kingdom of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors, but does not include the financial statements and our auditor’s report thereon, and the annual report which is expected to be made available to us after our report date.

Our opinion on the financial statements does not cover the other information prepared by the Board of Directors and we do not and will not express any form of audit assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors and respond to other matter in accordance with the requirements of CISA 720 (revised).

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with CIFRS for SMEs and the guidelines issued by the NBC, and for such internal control as the Board of Directors determines it necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Grant Thornton



GRANT THORNTON (CAMBODIA) LIMITED

Certified Public Accountants

Registered Auditors

Ronald C. Almera

Ronald C. Almera

Partner – Audit and assurance

Phnom Penh, Kingdom of Cambodia

28 April 2021

Statement of Financial Position

	Note	31 December 2020		31 December 2019	
		USD	KHR'000 (Note 3.1)	USD	KHR'000 (Note 3.1) (As restated)
Assets					
Cash	5	1,142,625	4,621,918	2,806,698	11,437,294
Statutory deposits with the NBC	6	750,000	3,033,750	750,000	3,056,250
Loans and advances to customers, net	7	39,864,151	161,250,491	22,209,738	90,504,682
Other assets	8	165,304	668,655	85,696	349,211
Property and equipment	9	594,074	2,403,029	457,716	1,865,193
Intangible assets	10	1,538	6,221	74,032	301,680
Total assets		42,517,692	171,984,064	26,383,880	107,514,310
Equity and liabilities					
Equity					
Share capital	11	15,000,000	60,270,000	15,000,000	60,270,000
Retained earnings/ (accumulated losses)		13,263	212,356	(815,043)	(3,165,476)
Regulatory reserve	12	151,890	614,930	147,419	596,697
Cumulative translation differences		-	245,758	-	703,211
Total equity		15,165,153	61,343,044	14,332,376	58,404,432
Liabilities					
Borrowings	13	26,843,808	108,583,203	11,928,550	48,608,841
Other payables	14	194,201	785,544	117,908	480,475
Income tax payable	18.2	314,530	1,272,273	5,046	20,562
Total liabilities		27,352,539	110,641,020	12,051,504	49,109,878
Total equity and liabilities		42,517,692	171,984,064	26,383,880	107,514,310

Statement of Profit of Loss and other Comprehensive Income

	Note	For the year ended		For the year ended	
		31 December 2020		31 December 2019	
		USD	KHR'000 (Note 3.1)	USD	KHR'000 (Note 3.1)
Interest income	15	4,766,588	19,438,146	2,904,903	11,770,667
Interest expense		(840,039)	(3,425,679)	(398,456)	(1,614,544)
Net interest income		3,926,549	16,012,467	2,506,447	10,156,123
Other income	16	419,675	1,711,435	336,363	1,362,943
Operating income		4,346,224	17,723,902	2,842,810	11,519,066
General and administrative expenses	17	(2,874,797)	(11,723,422)	(2,293,444)	(9,293,035)
Allowance for balances with other banks	5.2	17,554	71,585	(18,054)	(73,155)
Allowance for bad and doubtful loans	7	(293,546)	(1,197,081)	(55,766)	(225,964)
Profit before income tax		1,195,435	4,874,984	475,546	1,926,912
Income tax expense	18.1	(362,658)	(1,478,919)	(35,412)	(143,489)
Net profit for the year		832,777	3,396,065	440,134	1,783,423
Other comprehensive income:					
Currency translation differences		-	(457,453)	-	801,981
Total comprehensive income for the year		832,777	3,864,075	440,134	1,414,183

Statement of Changes in Equity

	Note	Share capital		Retained earnings/ (accumulated losses)		Regulatory reserves		Cumulative translation differences	Total equity	
		USD	KHR'000 (Note 3.1)	USD	KHR'000 (Note 3.1)	USD	KHR'000 (Note 3.1)	KHR'000 (Note 3.1)	USD	KHR'000 (Note 3.1)
Balance at 1 January 2020	11	15,000,000	60,270,000	(815,043)	(3,165,476)	147,419	596,697	703,211	14,332,376	58,404,432
Profit for the year		-	-	832,777	3,396,065	-	-	-	832,777	3,396,065
Excess of NBC over CIFRS for SMEs loan provision requirement	12	-	-	(4,471)	(18,233)	4,471	18,233	-	-	-
Currency translation differences		-	-	-	-	-	-	(457,453)	-	(457,453)
Balance as at 31 December 2020	11	15,000,000	60,270,000	13,263	212,356	151,690	614,930	245,758	15,165,153	61,343,044
Balance at 1 January 2019	11	15,000,000	60,270,000	(1,178,567)	(4,636,713)	70,809	284,511	(98,770)	13,892,242	55,819,028
Profit for the year		-	-	440,134	1,783,423	-	-	-	440,134	1,783,423
Excess of NBC over CIFRS for SMEs loan provision requirement	12	-	-	(76,610)	(312,186)	76,610	312,186	-	-	-
Currency translation differences		-	-	-	-	-	-	801,981	-	801,981
Balance as at 31 December 2019	11	15,000,000	60,270,000	(815,043)	(3,165,476)	147,419	596,697	703,211	14,332,376	58,404,432

Statement of Cash Flows

	Note	For the year ended 31 December 2020		For the year ended 31 December 2019	
		USD	KHR'000 (Note 3.1)	USD	KHR'000 (Note 3.1) (As restated)
Operating activities					
Net profit before tax		1,195,435	4,874,984	475,546	1,926,912
Adjustments for:				0	0
Depreciation	9	190,684	777,609	167,201	677,498
Amortisation	10	976	3,980	4,107	16,642
Allowance for bad and doubtful loans	7	293,546	1,197,081	55,766	225,964
Allowance for balances with other banks	5.2	(17,484)	(71,300)	18,054	73,155
Interest expense		766,578	3,126,105	398,456	1,614,544
Loss on disposal of property and equipment		360	1,468	1,354	5,486
Operating profit before changes in working capital		2,430,095	9,909,927	1,120,484	4,540,201
Net changes in working capital:					
Change in loan and advance to customers		(17,947,959)	(73,191,777)	(10,368,609)	(42,013,604)
Change in other assets		(79,608)	(324,641)	(22,538)	(91,324)
Change in other payables		76,293	311,123	(105,224)	(426,368)
Cash flow used in operating activities		(15,521,179)	(63,295,368)	(10,496,371)	(42,531,296)
Income tax paid		(53,174)	(216,844)	(32,816)	(132,970)
Net cash flow used in operating activities		(15,574,353)	(63,512,212)	(10,529,187)	(42,664,266)
Investing activities					
Acquisitions of property and equipment	9	(256,004)	(1,043,984)	(247,372)	(1,002,351)
Proceed from disposals of property and equipment		120	489	14,400	58,349
Acquisitions of intangible assets	10	-	-	(72,352)	(293,170)
Net cash flow used in investing activities		(255,884)	(1,043,495)	(305,324)	(1,237,172)
Financing activities					
Proceed from borrowings		14,915,258	60,824,422	11,929,453	48,338,144
Interest payments		(766,578)	(3,126,105)	(395,939)	(1,604,345)
Net cash flow generated from financing activities		14,148,680	57,698,317	11,533,514	46,733,799
Net change in cash and cash equivalents		(1,681,557)	(6,857,390)	1,819,487	7,372,562
Cash and cash equivalents, beginning of year	5.1	2,834,572	11,550,881	1,015,085	4,078,611
Currency translation difference		-	12,478	-	99,708
Cash and cash equivalents, end of year	5.1	1,153,015	4,663,947	2,834,572	11,550,881

BNK BNKC (Cambodia) MFI Plc.

 (855) 23 213 900

 <https://www.bnkcmfi.com/>

 hq.bnkcc@c.bnkcapital.net

 BNKC Cambodia MFI Plc.